

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

Plaintiff,

-against-

DISTRICT COUNCIL OF NEW YORK CITY
and VICINITY OF THE UNITED
BROTHERHOOD OF CARPENTERS and
JOINERS OF AMERICA, et al.,

Defendants.
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90 Civ. 5722 (RMB)

ORDER

Upon the record of these proceedings, including, without limitation, recent Court proceedings held on April 6, 2011 and May 16, 2011 (see Tr., dated Apr. 6, 2011, at 21:21-23; Tr., dated May 16, 2011, at 9:23-10:1), the letter from Raymond G. McGuire, Esq., counsel to the Trustees of the District Council Benefits Funds ("Funds"), dated May 19, 2011 (see Letter at 2 ("[W]e appreciate the point Your Honor raised about providing additional information [about the Funds] to the participants and recognize that doing so may be in the interest of all parties.")), and the Funds' reports provided to the Court (see Letter, dated May 20, 2011, and accompanying papers), **the Court has concluded that the more transparency which can be provided to the membership with respect to each of the Funds, the better.** See In re Global Crossings, Ltd. Sec. Litig., 322 F. Supp. 2d 319, 339 (S.D.N.Y. 2004) ("to increase . . . confidence by ensuring transparency and accuracy in financial reporting"); SEC v. KPMG LLP, 412 F. Supp. 2d 349, 355 (S.D.N.Y. 2006).

Accordingly, the Court would like to devote the first hour or so at the June 28, 2011 conference to a report on the status of the Funds,* including the following:

1. Brief description of each of the Funds' (a) purpose, e.g., health benefits, retirement, etc.; (b) current financial status; (c) individuals and/or firms which supervise and manage the Funds' affairs; (d) frequency of financial reporting; etc.;
2. Funds' results for the first quarter of 2011 and historical comparisons;
3. Known "threats to the continued vitality and integrity of the [F]unds" (Tr., dated Apr. 6, 2011, at 21:21-23);
4. What information, in accordance with generally accepted accounting principles, would be useful in future Funds' written reports and statements, including, for example, income (including contributions), expenses (including payouts to participants and fees to professionals), comparisons to prior reporting periods, distribution by asset class of investments, return on investment for each class of assets in the Funds, and comparison of asset performance to prior reporting periods and to other relevant benchmarks; and
5. Publication of the Funds' reports on a publicly available website (e.g., Review Officer and/or the Court).

Dated: New York, New York
May 26, 2011



RICHARD M. BERMAN, U.S.D.J.

* In this regard, it would be helpful to hear from Mr. McGuire and a representative of The Segal Company at the June 28, 2011 conference.